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ABSTRACT

This review presents a summary of the research on displaced worker programs and implications and recommendations for practice that the research supports. Chapter I is an overview of the displaced worker problem. It considers the extent of worker displacement and job loss and summarizes future projections. Chapter II discusses existing programs for displaced workers. These federal programs are described: Job Training Partnership Act programs (including program elements, participation factors, and barriers to program implementation), Trade Adjustment Assistance, and the Employment Service. A section on nonfederal programs focuses on private sector programs, state programs, and community college and vocational-technical school projects. Chapter III offers recommendations as guidelines for actions that educational leaders and program designers can use to strengthen the capacity of educational institutions to serve the needs of adults in job and career transitions. It recommends that (1) educational institutions link with other community agencies; (2) the linkages should include information-sharing mechanisms to facilitate advance notice and early intervention; (3) private industry councils, vocational schools, and colleges should aggressively develop and market displaced worker, retraining, career advancement, and job search programs; and (4) educational institutions should focus on services that they can best provide. (YLB)

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DISPLACED WORKER ASSISTANCE PROGRAMS: A REVIEW OF THE RESEARCH

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FOREWORD

From 1979 to January 1984, 11.5 million American workers lost jobs due to plant closings, reductions in workforce, and declines in business activities. The scale of dislocation, the impact on workers' lives, and their difficulty in reestablishing employment at equal wages and working conditions is unequaled since the depression era of the 1920s and 1930s. Government, education, labor and business and industry have responded to the displaced worker crisis through programs, practices, and policies designed to ease the impact of job loss and facilitate workers' reentry into the labor force. Both formative and summative evaluations of samples of displaced worker assistance programs have been conducted by local, state, and federal agencies and organizations.

This publication presents a summary of the research on displaced worker programs, and implications and recommendations for practice that are supported by the research. The intent of this review is to provide recommendations that can guide educational leaders and program designers as their institutions address the needs of adults in job and career transition.

Appreciation is extended to the many researchers who conducted follow-up studies of displaced worker programs and to the many program managers who willingly participated in structured evaluation of their programs. It is only through the professional commitment of scholars and practitioners alike that improvements in policy and practice can be made on the basis of accurate and rigorous evaluations.

Appreciation is extended to Dr. William Ashley, Senior Research Specialist, Ms. Paula Kurth, Program Assistant, and Ms. Judy Balogh, editor, for their efforts in preparing this report.

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EXECUTIVE SUMMARY

This project was conducted to review recent research on displaced worker programs and synthesize the findings into a set of guidelines and recommendations for educational program leaders. Significant finds and implications growing out of the evaluation of displaced worker programs are presented. During the conduct of the project, searches of relevant literature, discussions with other researchers, and preparation of this document were completed.

Project staff, after reviewing selected reports and studies, identified key descriptors and conducted computerized searches of a number of databases. The databases searched included ERIC, dissertation abstracts, psychology and sociology abstracts, ABI/INFORM, NTIS, and newspaper abstracts. Key articles, reports, papers, and dissertations were identified, collected and organized. The scope of the displaced worker problem, a review of effective programs, and recommendations for practice are presented. The findings and recommendations for practice are summarized briefly in the following paragraphs.

Educational institutions need to link with other community agencies such as the Private Industry Council, business and industry associations, Chamber of Commerce, Economic Development groups, and major employer firms. The linkages should include

information sharing mechanisms that will facilitate advance notice and early intervention by the educational institution when workers are displaced or laid off.

Private Industry Councils, secondary and postsecondary vocational and technical schools and colleges should be more aggressive in developing and marketing displaced worker programs and services to the business community. The same is true for retraining and cross-training programs for workers as well as career advancement and job search programs that can be provided by education and training organizations.

Educational institutions cannot be all things to all people, and should focus on the services that they can best provide. Some basic elements are important to any displaced worker program. Basic services include (1) a method of determining worker eligibility for different services and benefits, (2) a mechanism to develop and analyze up-to-date worker skill profiles, (3) current labor market demand information, (4) a program of counseling and referral services for displaced workers, (5) job search training including group support activities such as job clubs and job development specialists, and (6) both short- and long-term training and education services that attend to the special needs of displaced workers in transition. Programs should provide flexible schedules and some type of financial support such as "learn-now-pay-later" financial arrangements.

CHAPTER I

AN OVERVIEW OF THE DISPLACED WORKER PROBLEM

Introduction

Historically, the American economy has experienced gradual changes, with some dramatic but infrequent exceptions. Following the end of World War II, the levels of economic growth and worker productivity remained relatively stable or increased in terms of real output. Beginning in the mid 1960s and continuing through the early 1970s, worker productivity declined to about 2.5 percent per year. Beginning in 1973, wages began to stagnate or decline (Berline and Sum 1986).

From 1975 to 1981, about 13,000 plants employing 2.2 million workers applied for Trade Adjustment Assistance (Barth and Reisner 1981). From 1979 to January 1984, 11.5 million American workers lost jobs due to plant closings, reductions in the work force, and declines in business activities (Office of Technology Assessment 1986).

By mid 1985, there were 266,000 fewer people working in steel making than in 1979, and 165,000 fewer workers employed in the auto industry, despite the recall of thousands of laid-off workers.

> The steel and auto workers visibly represented a new class of displaced worker. Often they were white males, age 25 to 54, with steady work histories in blue-collar, high-wage manufacturing jobs. Other groups included women, many laid off from clerical or service jobs, or

> from blue-collar work in low-wage food, textile, and apparel industries. (Office of Technology Assessment 1986, p. 106)

During the 1950s, workers who were displaced from mining and farming found jobs in steel mills and auto factories (Halle 1984). However, due to the widespread impact of the recession of the late 1970s and early 1980s, worker relocation to different jobs in other regions of the country was not a viable solution. Workers often needed assistance and retraining to make shifts from their old occupations to new and different occupations. In addition, the pace of technological change often left many workers even further behind.

In California, for example, between 1979 and 1985, high rates of worker displacement occurred in basic manufacturing. The cause for this development was attributed to production-related factors, market-related factors, corporate strategy, labor, and government intervention, as well as the geographic shifting of work from California to locations elsewhere in the United States and in other countries (Shapira 1986).

The profile of workers who were most likely to be affected at this time by dislocation showed them to be from basic industry, blue-collar, older, without a college education, women, and minorities. High-technology workers also suffered prolonged unemployment after job loss. Although high technology created large numbers of new jobs in California, few of these jobs were attained by displaced workers (ibid).

Finally, changes in the economy and changes brought about by new technologies are also responsible for the loss of job opportunity for many young workers. According to the Summary of a 1986 report by the Office of Technology Assessment,

> As U.S. firms automate, producing more goods with fewer people, or more production overseas, or fail to keep up with international rivals, they create fewer new manufacturing jobs. Indeed, in some industries, it will be impossible even to maintain current levels of employment. In the United States, one of the most open and attractive markets in the world, competition is forcing change at a rapid pace, recently accelerated by the strong dollar. Mechanisms for adjustment--such as job training programs and education for adults--have not kept up. (p. 6)

The Extent of Worker Displacement and Job Loss

The actual number of workers affected by displacement is in dispute. According to U. S. Labor Department officials, from 1981 to 1986, an estimated 10.8 million U.S. workers lost jobs due to plant closings, mergers, and acquisitions (Fraze 1988). Gordus, Gohrband, and Meiland (1987) describe the major advance in research on dislocated workers made by the Bureau of Labor Statistics when 18 questions were added to the Current Population Survey (CPS) in January 1984.

> Not only is this the first representative sample of individuals displaced from the work force, but the criteria for identifying potentially displaced workers were explicit. Individuals responding "yes" to the question about job loss from 1979 to 1984 because of a plant closing, an employer going out of business, or a layoff from which a worker was recalled were asked the additional questions. Data from this survey were presented by Devens (1986), and recently, analyses by Podgursky and Swaim (1987) have added to our knowledge. In the period 1979-1984, about 5.8 million blue-collar workers were displaced. At the time of the CPS, 60.7 percent were reemployed, 29.2 percent were unemployed, and 10.2 percent had left the labor force. About 3.8 million white-collar workers were displaced during the

> same period. Data drawn from the Podgursky and Swaim study for blue-collar and white-collar workers indicate that not only are proportionately fewer while-collar and service workers displaced, but also that their re-employment prospects in general appear to be better, an expected finding. (1987, p. 7)

Data presented by Podgrusky and Swaim (1987) are shown in Tables 1 and 2.

TABLE 1

NONAGRICULTURAL BLUE-COLLAR WORKERS DISPLACED FROM FULL-TIME JOBS BETWEEN JANUARY 1979 AND JANUARY 1984[a]
(thousands of workers)

Labor Force Total (January 1984)	Blue-Collar		
	Total	Male	Female
Total	5,777	4,438	1,339
(Percent of total)	(100)	(100)	(100)
Employed	3,505	2,835	670
	(60.7)	(64.3)	(50.0)
Unemployed	1,685	1,319	366
	(29.2)	(29.7)	(27.4)
Not in labor force	587	284	303
	(10.2)	(6.4)	(22.6)

TABLE 2

NONAGRICULTURAL WHITE-COLLAR WORKERS DISPLACED FROM FULL-TIME JOBS BETWEEN JANUARY 1979 AND JANUARY 1984[a]
(thousands of workers)

Labor Force Total (January 1984)	White-Collar		
	Total	Male	Female
Total	3,769	1,909	1,860
(Percent of total)	(100)	(100)	(100)
Employed	2,582	1,433	1,149
	(68.5)	(75.0)	(61.8)
Unemployed	735	386	349
	(19.5)	(20.2)	(18.8)
Not in labor force	435	91	362
	(12.0)	(4.8)	(19.5)

SOURCE: Adapted from Podgursky and Swaim (1987)

[a] Workers between the ages of 20 and 61 in January 1984. Totals also exclude a small number of workers previously employed as private household workers. Components may not sum to total due to rounding error.

In 1987, the correlates and consequences of permanent job loss were investigated for the National Longitudinal Survey's mature women's cohort using a subset of workers who were established in their jobs between 1969 and 1981. The intent was to examine the characteristics of the firm, as well as the characteristics of the workers, to explain the incidence of displacement across the work force.

Displacement was found to be related more closely to structural features associated with firms than to characteristics of the individuals who lost their jobs. the consequences of displacement were similar to that described in the plant closing literature: unemployment, wage erosion, and leaving the labor force (Gagen 1987).

Hollenbeck and Bernice (1988) discussed the work of Flaim and Sehgal (1985), who used the data from the BLS 1985 survey to report findings and discuss various concepts of displacement. They describe displaced (or dislocated) workers as persons "who have lost jobs in which they had a considerable investment in terms of tenure and skill development and for whom the prospects of re-employment in similar jobs are rather dim" (p. 4).

The principal findings of Flaim and Sehgal, as summarized by Hollenbeck and Bernice, are as follows:

- About half of the 5.1 million workers reported they had become displaced because their plants or business closed down or moved. Two-fifths reported job losses due to "slack work" (or insufficient demand), and the rest said their shifts or individual jobs had been abolished.
- About 3.5 million of the displaced workers had collected unemployment insurance benefits after losing their jobs. Nearly one-half of these reported they had exhausted their benefits.

- Many no longer had health insurance coverage, including some who subsequently found work.

- Of the 5.1 million displaced workers, about 3.1 million had become reemployed by January 1984, but often in different industries than in the ones they had previously worked. About 1.3 million were looking for work, and the remaining 700,000 had left the labor force.

- Of the 3.1 million displaced workers who were reemployed, about half were earning as much or more in the jobs they held when surveyed than in the ones they had lost. However, many others had taken large pay cuts, often exceeding 20 percent.

- Blacks accounted for about 600,000 of the 5.1 million displaced workers, and Hispanics made up 300,000. The proportion reemployed as of January 1984 was relatively small for both of these groups--42 percent for blacks and 52 percent for Hispanics. Conversely, the proportions looking for work were relatively high--41 percent for blacks and 34 percent for Hispanics. (p. 3)

Another study (Burke 1985) provided a similar picture of the effects of displacement. The study compared the experiences of 155 men and 22 women 14 months after they lost their jobs due to plant closings. Results indicated that 40 percent were employed, several in temporary of part-time jobs. Further, 70 percent of the men and 100 percent of the women were making less now than on their former jobs.

Finally, subsequent reviews of the national databases found that the outcomes of dislocation for workers improved over the 1984-86 period due to economic growth; however, large numbers of dislocated workers experienced difficulty in making labor market adjustments.

Future Projections

Almost 13 million new jobs will be created by 1995 ("The American Dream" 26 January 1987).

The projection for the year 2000 indicates that (1) far more new jobs will be in the service sector rather than in the goods-producing sector, (2) higher level skills will be required, (3) growth in the economy will favor the educated, and (4) the work force will be older, with more women, minorities, and immigrants. In fact, there could be a labor shortage by 2000 since the labor force will grow more slowly over the next 15 years. This will perhaps open up employment opportunities for handicapped and displaced workers, as well as workers who may be poorly prepared in the basic skills (Semerad 1987).

The problem is that about 70-80 percent of the jobs will be low-paying and will not provide the skills and experience that lead an employee to a better job. Also, unless there is dramatic improvement in educational achievement among both black and white secondary school students over the next few years, many of them will need some kind of postsecondary training before they can become productive workers.

Although the automated factory of the future will cause some unpleasant changes for labor and management, an overall positive effect on employment and productivity is likely. As predicted by Homer Hagedorn (1984) in the Journal of Business Strategy, jobs in the factory of the future will require higher skills; organizational structures will be simpler; and effective teamwork will be

needed. Employees will need special skills, and many older members of the labor force, who do not have and may not be able to learn such skills, are likely to be displaced. Some provisions will have to be made for these displaced workers.

With respect to the increased use of robots in the workplace, the results of a recent survey of 500 large industrial firms indicated that of the 97 participating firms, 53 percent presently use robots,and 23 plan to install them in the future. The goal of increasing productivity through the use of robots was cited by 78 percent, whereas 44 percent aimed to reduce labor costs (Verney 1986). Firms expecting to incorporate robots should develop a retraining program for the workers who will be displaced.

Finally, futurist Earl Joseph, a former staff futurist at Sperry Univac for 20 years, believes that training will be an increasingly important element in the future business environment. According to Joseph, as new knowledge is produced more rapidly, people are able to work more efficiently. As a result, fewer workers will be needed, and displaced workers will need retraining (Zemke 1984).

In addition, Joseph believes new knowledge will create new jobs that will also require training. Trainers will have to refine such basic skills as thinking, opportunity finding, cognitive skills, and visual literacy and new technologies to reduce dependence on human experts (ibid.).

CHAPTER II

PROGRAMS FOR DISPLACED WORKERS

Introduction

In the last few years, the United States has experienced a number of job losses due to economic changes, technological growth, and foreign competition. This has led to large scale layoffs in basic industries, manufacturing, and textiles, as well as bankruptcies and declines in agriculture and related industries (Cook 1986, p. 1). The result has been that a large number of workers have lost their jobs, and for some, the prospect of re-employment in the industries where they have worked for most of their lives.

Further, projections for the future indicate that new jobs likely to be available around the turn of the century will continue to cause some workers to be laid off due to automation and workers' inability to acquire new skills, whereas other workers, in order to be considered for these jobs, will need to re-train and/or obtain additional, oftentimes, different education.

The implication is that companies, state and community agencies, and community colleges and vocational-technical schools (and any other adult training institutions) will need to have operable programs and other support activities that will help workers become employable.

Already there are many programs and projects in existence. Some of these will be discussed in the next pages.

Federal Programs

Job Training Partnership Act Programs

The General Accounting Office (GAO) (1987) surveyed all JTPA title III projects operating between October 1982 and March 1985. The results of the survey are as follows:

- Title III projects reported having 69 percent placement.
- The average wage level reported for the jobs in which the participants were placed was $6.61 per hour, significantly higher than the wage levels reported by other employment and training programs but generally lower than participants' prior wages.
- Project success rates varied substantially.
- Outcomes varied according to project characteristics.
- Most participants received job counseling and job search assistance; fewer were trained.
- Twenty-two percent of the workers enrolled had less than a high school education.

The analysis of GAO regarding the administration of title III project disclosed two issues: the need to speed up implementation of title III projects in some states, and the need to reevaluate the matching requirement. GAO expressed concern about the low representation of older and less-educated workers in title III projects because these two groups experience more difficulty in finding new employment than younger or more educations workers. When analyzed, it wad discovered that older workers had been satisfied in the jobs they had held for 15 years or more. They did not believe that they would be successful in training classes,

and they insisted that the few years they had left to work would not make training a worthwhile investment (Bartholmew 1987). GAO also prepared a report entitled Dislocated Workers, Exemplary Projects under the Job Training Partnership Act (April 1987). The report describes 80 projects that had exemplary outcomes. The 80 projects achieved placement rates and wage levels above the national average. Key features that may have contributed to the successful outcomes included:

- o staff with extensive knowledge of local labor markets;
- o individualized counseling and assessment with assistance tailored to specific workers;
- o competent, rigorous intervention;
- o personal support and persistent follow-up to ensure program completion.

The lessons GAO felt had been learned from the review are that (1) allowing states the flexibility to select sponsors, as opposed to channeling all funds through SDAs, has proven successful; (2) having project staff with expert labor market knowledge was a key ingredient to success; and (3) intervening early facilitated worker reemployment.

Elements of a Displaced Worker Program, Participation Factors

The typical services of a displaced worker project include (1) outreach, (2) orientation, (3) educational and aptitude assessment, (4) job-seeking skills training, and (5) basic and job-specific skills training for those who need it (OTA 1986). Other services that are offered may include financial and personal

counseling, screening, job development activities, on-the-job training, and long-term vocational retraining.

General criteria for people going into training are that they need skills training, can perform the type of work required, and are likely to finish the program. Clients in most title III programs must provide their own support or depend on UI benefits for 26 weeks and/or Trade Adjustment Assistance for up to 18 months in approved training.

Once displaced workers are enrolled in a reemployment-retraining project, they may be offered different kinds of services, depending in part on their individual abilities and interests, but also in part on what the project has to offer. Not all projects offer a full range of services. The brief descriptions below cover the major services offered by a full-range project, at the point where workers are already enrolled and have been assessed for their skills, interests, background, and abilities (Office of Technology Assessment 1986, p. 179).

> Job Search Assistance. This may include both training for the individual worker in how to look for a job effectively and assistance from the project in finding a job. Training in job search skills--assessing one's own skills and experience, producing a resume, practicing interviews, identifying potential employers--is often done in groups, in 1- to 5-day workshops. In addition, some projects have staff job developers, who look for job openings that are not publicly listed in addition to compiling job listings from newspapers and the Employment Service. Job developers may also match applicants with job openings, sometimes using an automated job-matching system. Many projects have a resource center where clients can find job listings, make telephone calls to employers, and get encouragement and job counseling from project staff.
>
> Most displaced worker projects strongly emphasize job search assistance. Some require every participant to take a job search skills workshop as a first step in the

program. Some require clients to undertake a few weeks of job search before becoming eligible for training of any kind. Also, workers who take training may return to the project afterward for help in finding a job. Job search assistance is usually less expensive than other major services displaced worker project offer; four demonstration projects in 1982-83 reported the cost of job search assistance alone as ranging from about $400 to $1,400 per participant.

Vocational Skills Training in Institutions. Workers who need training in a new skill to get a suitable job and who have the requisite background may be offered formal courses in vocational schools, community colleges, or private institutions. Workers may sign up for existing courses, but often a project will develop special courses open only to their clients. Typically, in projects that are strongly committed to training, one-fifth to one-third of clients may enroll; the proportion may be higher in the trough of a business cycle when few jobs are to be had. Four demonstration projects reported costs of about $800 to $3,500 per participant for classroom vocational training in 1982-83.

On-the-Job Training. Workers who possess general work skills but need to learn the skills required for a specific job may be offered on-the-job training (OJT). The displaced worker project pays a portion of the trainee's wage (usually one-half) for a limited time (usually 3 to 6 months), after which the employer is expected to keep the worker on. Many projects regard OJT as more a placement tool than as training in a transferable skill. Essentially, OJT compensated employers for the cost of training workers in skills specifically needed in their firms, and for the lower productivity of workers in training. Costs of OJT in four demonstration projects ran from about $1,000 to $2,500 per participant.

Remedial Education. A substantial minority of displaced workers--20 percent or more of the participants in some projects--lack basic reading and math skills, and thus are seriously handicapped in finding a new job. A few projects have developed effective remedial education courses for their clients, achieving high rates of participation. Costs to these projects for remedial education courses averaged $100 to $250 per participant. Public school systems and Federal grants absorbed a major share of the costs, as they generally do for adult basic and remedial education; the projects paid for extras.

Relocation Assistance. This may include gathering information about jobs and living conditions in other

communities; referral to prospective employers out of the area; defraying the costs of travel for a job interview; and cash assistance with the costs of moving. Publicly funded displaced worker projects rarely if ever reimburse all the related costs to workers who decide to move. (Full costs might include, for example, substantial losses on homes owned in the old community, or higher home prices and mortgage loan rates in the new community.) Under the Trade Adjustment Assistance program, for instance, workers may recover up to $1,600; $800 for out-of-area job search expenses and $800 for moving expenses. State Title III programs under the Job Training Partnership Act set varying limits for relocation assistance; one State that encourages relocation (Arizona) limits reimbursement to $650 per worker.

There are several factors that affect displaced workers' decisions to participate in JTPA-funded training programs. Participation in training programs is associated with successful negotiation of the stages of adaptation to involuntary job loss, experiencing a self-directed accommodation career change, effective use of time after job loss, formation of a dream, having personal control over one's life, and positive family support.

Further, participants with higher levels of motivation for participating in training programs tend to select programs based prior involvement in adult education and long-term interest in a subject. They also tend to be more systematic in selecting their programs, had a future orientation, had more labor market knowledge, reacted less negatively to being laid off, and had actually prepared for being laid off.

Nonparticipation, on the other hand, is associated with maintenance of anger and frustration regarding the job loss, remaining in a situationally determined career change, ineffective use of time after the job loss, and lack of control over one's life (Dean 1987).

Barriers to Program Implementation

A number of barriers to implementing Title III were identified by Smith (1985). The success of JTPA Title III programs depends on the ability and willingness of employers to provide jobs and training for unemployed workers. Based on the responses of 2,000 employers in Oakland-Alamenda County, California, to solicitations for jobs and training contracts Smith concluded that--

- favorable economic conditions do not guarantee the success of a reemployment project;
- employers rely on informal methods for filling job vacancies and are unlikely to change procedures without strong reasons for doing so;
- many employers do not know about JTPA;
- many employers have a general distrust of federal job programs, believing that their costs outweigh their benefits;
- most available replacement jobs have little appeal to experienced and formerly well-paid workers.

The study suggests that (1) JTPA's lack of influence on the job market, (2) its weak links to business, and (3) the limited options available to displaced workers are barriers that may impede successful program implementation.

The perceptions of Colorado's small and large manufacturing firms' executives and public postsecondary education administrators about agency roles services for displaced workers were assessed by Naylor (1984). The agencies included in the study were

employers, public education, labor unions, United States Department of Labor agencies, State Employment Service, and local community organizations. The services included in the study were personal termination counseling, new options workshops, knowledge/aptitude/interest testing, financial resources counseling, new job skill training, job placement coordination, and follow-up studies.

The study found that public postsecondary educators expected the highest amounts of responsibility from all agencies. Small manufacturers assigned the next highest amounts of responsibility to all outside agencies but the least responsibility to employers. large manufacturers assigned the least amount of responsibility to all outside agencies but assigned the most responsibility to employers. Nayor concluded that the unique characteristics of small and large manufacturing firms require separate service delivery systems for displaced workers.

The attitudes of displaced workers toward retraining and job search assistance programs is also a major factor affecting program success and participation rates.

JTPA Title III is the first comprehensive federal program offering assistance to displaced workers in almost two decades; however, two other programs have also played a major role: Trade Adjustment Assistance and Employment Service.

Trade Adjustment Assistance

Trade Adjustment Assistance (TAA) is a major federal program open to displaced workers who lost their jobs because of foreign

competition. TAA offers extended unemployment benefits, training assistance, and help with relocation to a new job. Unlike the title III programs, TAA extends income support to workers in approved training up to 18 months, as well as more generous relocation assistance.

Although TAA technically expired year-end 1985, a resolution was passed that allowed eligible workers to continue to receive relocation and retraining assistance through 1986.

The major argument against TAA is that it is difficult to try to distinguish among displaced workers by cause of displacement and single out the group for special treatment.

Employment Service (ES)

The nationwide network of federally funded Employment Service offices provide free service such as placement or the acquisition of job search skills. ES offices can offer such services as skills assessment, job counseling, job development, and training referral, however, most lack the necessary resources to provide these services. Congress has shown special interest in two services provided by ES. First, ES has a computerized interstate system job bank. ES offices also have detailed information about local labor markets.

Cuts in federal funding in the last few years have led some state ES offices to reduce research and analysis staff, and federal assistance to states for collection of occupational data may also be reduced.

Nonfederal Programs

Private Sector Programs for Dislocated Workers

The most successful programs in the private sector are those that emphasize reemployment rather than retraining. These programs generally have certain common elements: advance notice of layoffs, efforts to encourage workers to participate, counseling to help workers reconcile the likely reduction in wages in a future job, joint management-labor outplacement committees, appropriate training for the local job market, help with job search techniques, and reemployment centers that remain open after the plant closes (Forbes 1987).

Following are four examples of successful programs: Stroh Brewery's acquisition of the Joseph Schlitz Brewing Company led to its decision to close its 70-year-ole facility in Detroit. Stroh's wanted to develop a program to assist its former employees. The program recommended by Janotta, Bray Group Services and chosen by Stroh included (1) skill testing and assessment, (2) the development of an individualized job-search effort, (3) a computerized job bank, (4) personal counseling, (5) workshops, and (6) extended health and severance benefits. Since needs differed, separate transition centers were set up for hourly and salaried employees. Positions that became available at other plants and corporate headquarters were offered to the employees. Stroh's costs of over $1.5 million was complemented by government assistance of $600,000. One year after the plant closing, all of the

salaried employees and 98 percent of the hourly employees had found jobs. (Janotta 1987)

When Ford Motor Company announced its intention to close its San Jose, California, assembly plant in November 1982, it developed an extensive plan, in cooperation with the United Auto Workers (UAW) union, to help dislocated workers. The program included (1) orientation and unemployment and health insurance benefits, (2) education and retraining needs assessment, (3) adult basic education classes, (4) vocational exploration courses, (5) various seminars and programs for vocational and personal needs, (6) targeted vocational training, (7) prepaid tuition assistance, (8) job search training and job placement, and (9) preferential placement at other Ford plants where openings were available. High participation rates in the various programs resulted in a lower incidence of such social problems as drug and alcohol abuse than in similar shutdowns. More than 83 percent of those who reentered the labor market secured employment, many in skilled jobs paying wages near their Ford earnings. (Hansen 1985)

On November 18, 1986, employees of Fisher Cheese Company, Inc. were informed that the company had been sold by its parent, Amfac Inc., to Borden. Moreover, they were told that Borden was not interested in continuing the Wapakoneta, Ohio, plant. Human resource and communications representatives from fisher and Amfac immediately implemented a program of counseling, job placement, economic assistance, and communications for employees. Regular pay was continued for a 6-week minimum and severance pay and other benefits also were announced. Employees also were given the

option of enrolling in local colleges or vocational schools if they chose. In addition, an intensive proactive media relations program was a part of the closing strategy. Employees affected by the plant closing immediately began responding positively. The Career Center set up in the Fisher office building provided ongoing job counseling and outplacement support. Amfac continued its assistance to families and the surrounding area and pledged $200,000 for the promotion of economic development in Wapakoneta. (Matte 1988)

The United Auto Workers-General Motors Human Resource Center (HRC) is a national pilot program to help displaced workers with tuition reimbursement, training, and other human resource functions. Although there are 18 HRC's around the country, the Cincinnati program is the only one set up to handle a complete plant closing. The program begins with an orientation that introduces the workers to career counselors, who assess abilities and skills before planning job search strategies or directing workers to specific job training programs or other services. The assessment process involves aptitude testing and general skill testing. Workshops are held to teach job search strategies, and workers who know what kind of job they are looking for are referred to job developers. (Feldman 1988)

State Programs for Dislocated Workers

Since different areas and different workers have different needs, it is often necessary to tailor programs to fit the workers, communities, and the economic circumstance. However, there

are two program design elements that tend to ensure success.

- Projects that have active cooperation of labor and management as an integral part of reemployment efforts are more likely to be effective than projects without such support. Employers usually have networks in local business communities, which can be effective at finding out what firms are hiring and what occupations are in demand. Employers and labor-management teams are also likely to know the strengths and skills of their own workers and can be effective at recommending qualified workers for new jobs. Finally, workers are more likely to take advantage of services offered by employers if they already have good relationships with management. (Office of Technology Assessment 1986, pp. 34, 35)

- Projects that offer a broad range of services, from job search assistance to training, best serve displaced workers. Projects that offer a full range of services are likely to meet the needs of a diverse group of clients, even through circumstances may call for emphasis on some services more than others. (Ibid., p. 35)

Following are three examples of state programs:

The California state government has developed an organizational approach for the delivery technical assistance to workers facing layoffs and plant shutdowns. The system is called the California Economic Adjustment Team (CEAT). The primary aim is to focus on reemployment rather than retraining through the establishment of worker reemployment centers. A review of the CEAT program suggest that it is necessary to maintain some separation of the dislocated worker program and regular bureaucratic services (Hansen 1986).

In addition to the CEAT program, California has developed another program that focuses on experienced workers who are either unemployed or soon-to-be displaced. Administered by the Employment Training Panel, the program is financed by unemployment insurance. Companies that hire and retrain workers are reimbursed

for training expenses after the worker has been on the job for 90 days. The program has been highly effective in California (O'Connell and Hoerr 1985).

In New York, local educators, developers, and restauranteurs developed retraining program for dislocated workers for supervisory or middle-management jobs in the food-service industry. The program was financed with both federal and state funds. Following completion of the program, 10 of the 19 participants had obtained jobs. Although the program has limitations, the overall concept holds promise for dislocated workers (O'Connor 1984).

Dislocated Worker Projects by Community Colleges and Vocational-Technical Schools

Most formal occupational and vocational training for adults is provided at community colleges and vocational-technical schools. Table 3 shows the number of postsecondary schools offering occupational program, and table 4 shows enrollments from 1975-1981.

Community colleges are highly responsive to the learning and training needs of workers in their communities. More blue-collar and nonsupervisory white-collar or service workers take courses at 2-year colleges than other types of schools (Office of Technology Assessment 1986, p. 287).

In addition, community colleges often form linkages with local business and industry to work on cooperative projects.

TABLE 3

NUMBER OF U.S. PUBLIC AND PRIVATE POSTSECONDARY SCHOOLS WITH OCCUPATIONAL PROGRAM, BY TYPE OF SCHOOL, 1982

Type of school	Total Public	Total Private
Total	1,904	7,304
Vocational/technical	611	123
Technical institute	8	149
Business/Commercial	5	1,282
Cosmetology/barber	6	2,171
Flight	7	792
Trade	11	736
Arts/design	1	247
Hospital	119	664
Allied health	87	277
Junior/community college	820	197
College/university	228	369
Other	1	297

SOURCE: U.S. Department of Education, National Center for Education Statistics. (1982)

TABLE 4

ENROLLMENT IN U.S. NONCOLLEGIATE NONCORRESPONDENCE POSTSECONDARY SCHOOLS WITH OCCUPATIONAL PROGRAMS, BY TYPE OF SCHOOL, 1975-81

Type of school	1975	1981	Percent change 1975-81
Total	1,399,100	1,687,097	20.6
Vocational/technical	495,000	469,926	5.1
Technical institute	92,100	61,117	33.6
Business/office	339,200	468,374	38.1
Cosmetology/barber	113,000	171,417	28.9
Flight	72,900	63,362	13.1
Trade	158,000	228,113	44.4
Arts/design	a	56,613	a
Hospital	71,100	40,610	42.9
Allied health	a	60,041	a
Other	37,800	67,524	78.6

SOURCES: U.S. Department of Education, National Center for Education Statistics. (1976 and 1978)

NOTE: Surveys of Noncollegiate Postsecondary Schools were conducted in 1976, 1978, 1980, and 1982, but in each case data are for the number of students enrolled during the 12-month period ending June 30 of the previous year.

[a] Data not available.

Community colleges also work with labor unions to offer programs at the workplace, in union halls, and at community centers (ibid.).

The general consensus concerning community college programs is that more attention should be given to designing programs for dislocated workers, that provide them with skills which will make them less vulnerable to displacement and skills which will better prepare them to find good jobs when necessary. Also, more attention needs to be given to programs for older adults. Finally, some community colleges need to focus on upgrading specific support services. For example, a recent study that sought to evaluate support services offered by a local community college to dislocated workers found that the college's deficient areas were counseling, placement services, and academic advisement. The major focus of the study's survey was that high-risk adult students have special needs and require specialized services (Lenhardt 1986).

With respect to vocational schools,in 1970 and 1982, more than 85 percent of the graduates of public and private vocational schools received skill training that was "on target" or "reasonably aligned" with occupational employment changes (Office of Technology Assessment 1986, p. 309). However, there are steps that can be taken to improve and better target vocational training: some of these are--

- o better align real-world job needs to requirements of vocational skills training courses and
- o collaborate with local business and industry to determine actual on-the-job skill needs.

CHAPTER III

IMPLICATIONS AND RECOMMENDATIONS

Summary

National studies indicate that improved economic conditions over the period 1984-86 resulted in positive financial gains for some reemployed displaced workers who reached their former wage level; but many other workers continued to encounter serious problems in adjusting to a labor market which was dramatically different from their former experiences. Studies of title III programs indicate that those that offer a wide variety of services and carefully analyze the local labor market for employment opportunities are most successful in serving displaced workers.

The entire nation has experienced worker dislocation problems, with the east north central states suffering the greatest losses. Worker dislocation during the last 8 to 10 years has resulted from major and long-lasting structural changes in the labor force and industrial base of the nation. Continued dislocation can be expected in industrial sectors that are on the decline or are experiencing significant technological changes and/or geographic relocation. Educational leaders must address the need to establish continuing programs to serve displaced workers. Educational institutions need to form effective and permanent linkages with agencies such as Private Industrial Councils, business, industry, and organized labor groups, and state and

local governments and economic development programs to form a comprehensive network of service providers and employers. Comprehensive and well-articulated programs can serve the long-term needs of displaced workers and provide the mechanism to aid in the economic restructuring and redevelopment of communities that have been seriously damaged by the recent waves of worker displacement.

The following recommendations are offered as guidelines for actions that can strengthen the capacity of educational institutions to serve the needs of displaced workers.

Recommendations for Program Practices

- Displaced worker programs should be comprehensive in design. Services should begin with aggressive outreach and client recruitment followed by streamlined and convenient intake, assessment, and employment-training planning services.

- Programs that are based at educational institutions should be tightly linked with funding agencies, employer groups, community-based service organizations, local government leadership, and state labor market information systems.

- Program administrators should work closely with local employers to (1) identify employment opportunities and related skill requirements, (2) develop targeted education and training services that can be adapted and reconfigured to serve clients with different backgrounds, and (3) conduct evaluations and follow-ups with program completers and non-completers in order to improve and refine the program.

- Program administrators should be aggressive in promoting and marketing their services to the community and employers. Recognition and community acceptance can help reduce potential barriers to client participation.

- Program leaders and funding agencies should encourage employers to give advance notice of impending lay-offs or

closure and to request assistance for their employees as early as possible. Early intervention can benefit workers by providing for a smoother transition to other employment and by reducing the unemployment period.

- Program leaders should aggressively seek opportunities and resources to provide training services that can help companies improve their economic position through improved product quality and competitiveness and a more efficient workforce. "Workplace literacy," "technical literacy," "basic skills," and "quality assurance" training programs are some of the ones that can benefit employers by improving their workers' skills.

- Program leaders should establish a fast response mechanism that will enable program services to be initiated quickly, conducted on-site, and provide appropriate information and guidance. Knowledge of eligibility requirements, benefits, support services, helping organizations and support groups that provide assistance to displaced workers will enable individuals to review their options and decide on an appropriate course of action based on their needs.

- Program training services should emphasize occupations that are in high demand, provide better than minimal wage, offer opportunities for growth and advancement, and are related to the type of skills or work context with which displaced workers are familiar. Many technical service occupations offer employment opportunities in most communities, such as auto mechanics, heating and air conditioning technician, truck repair, construction, and building maintenance worker.

- Programs should implement and maintain a strong job development/job search assistance component. Many displaced workers (who have held only one job) can benefit from training in job-hunting skills. Job developers who identify job openings in the local labor market that are not advertised or listed can provide qualified workers with leads to jobs they can fill immediately.

- Educational institutions should look for program locations and facilities that will not intimidate displaced workers. Workers with minimal education or those who have been away from formal classroom settings and college campuses for many years may feel uncomfortable in such surroundings. If plant or company locations are not available or appropriate, other accommodations such as community centers, empty stores, or other comfortable locations should be found.

- Programs should establish a mechanism that will allow early linkage and coordination with labor-management

committees that have lead responsibility for displaced worker services at a plant or company. Such groups may have primary responsibility for determining who will be eligible for services, how workers will be notified about services, and which outside organizations and agencies will be invited or permitted to provide services on-site. Educational institutions need to be included in the initial panning phases of programs that will be directed by labor-management committees.

- Programs should establish post-program communication and follow-up linkage with displaced workers who have been served. Follow-up letters, newsletters, telephone hotlines, and/or worker support groups or social meetings can serve to collect feedback from clients and provide information outreach services to clients.

- Educational institutions should seek to simplify their rules and procedures to be more responsive to different client groups and be more pro-active in addressing potential worker displacement problems before they become a crisis. Programs to prevent skill obsolescence through employee development, up-grading and retraining are essential components of a responsive program.

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